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RUEHUL/AMEMBASSY SEOUL 5346  
RUEHFK/AMCONSUL FUKUOKA 3495  
RUEHNH/AMCONSUL NAHA 5910  
RUEHOK/AMCONSUL OSAKA KOBE 7154  
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RUEHIN/AIT TAIPEI 6685  
RUEAIIA/CIA WASHDC  
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C O N F I D E N T I A L SECTION 01 OF 02 TOKYO 004635

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TAGS: [PGOV](#) [ECON](#) [JA](#)

SUBJECT: PM FUKUDA AIMS FOR MIDDLE GROUND IN FIRST POLICY SPEECH

Classified By: CDA Joseph R. Donovan for reasons 1.4 (b,d)

Summary and Comment

¶1. (SBU) Prime Minister Yasuo Fukuda maintained a conciliatory tone in his policy speech given separately to the Upper and Lower Houses of the Diet on October 1. He touched on many of the same subjects raised by former Prime Minister Shinzo Abe three weeks ago, including the pension system, regional disparities, education reform, healthcare, the environment, the upcoming G8 Summit, the Indian Ocean refueling mission, and North Korea, but did not prioritize them and gave few details. The press noted Fukuda's emphasis on pocketbook issues and the absence of Constitutional reform.

¶2. (C) Embassy Tokyo officers attended former PM Abe's and PM Fukuda's speeches to the Upper House and observed a difference in attitude toward Fukuda. During Fukuda's speech, opposition Diet members occasionally shouted out comments but mostly remained silent. The LDP audience answered the occasional taunts with loud applause which was especially pronounced at the end of the speech. This contrasted with a constant heckling of former PM Abe throughout his policy speech on September 10, which was broken only once by an enraged LDP Diet member who stood and demanded that they be quiet. Fukuda and Abe both chose to ignore the interruptions. End summary and comment.

Reaching Out to the DPJ

¶3. (SBU) Prime Minister Yasuo Fukuda presented his policy speech separately to the Upper and Lower Houses of the Diet on October 1, striking a conciliatory tone in hopes of heading off expected confrontation with the opposition-held

Upper House by stressing his desire to consult with the Democratic Party of Japan (DPJ) on important issues. He highlighted the need to rebuild Japanese citizens' faith in politics and the bureaucracies and called on all public servants to perform their duties with integrity.

Pocketbook and G8

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¶4. (SBU) On the economic front, Fukuda promised to pursue reform and stable growth while addressing reform's side-effects, including regional disparities and the difficulties faced by small and medium-sized businesses. He called for reforms of the tax and pension regimes as well as regional healthcare systems, and he pledged to use the G8 Summit in Lake Toya in July 2008 to further PM Abe's program of halving greenhouse gasses by 2050.

Diplomacy

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¶5. (SBU) Fukuda called on Japan to play a responsible role in the international community, specifically by continuing the Indian Ocean refueling mission, and he vowed to press North Korea to return any remaining abductees while maximizing efforts to normalize Japan-North Korea ties. Fukuda also mentioned improved relations with China and Japan's goal to become a permanent member of the United Nations Security Council.

What the Media Said

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¶6. (SBU) The press noted that Fukuda emphasized pocketbook issues of concern to the voting public and pointed out differences with Abe such as the omission of Constitutional reform. In addition to commenting on the absence of detail in the speech, some political observers complained that Fukuda lacked the strong leadership shown by his predecessors Abe and Junichiro Koizumi, which signaled Fukuda's weak position in the Diet.

DONOVAN